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2006-2007 Desk Reference for

# EDExpress for Windows Release 1.0

*Addendum*

Higher Education Reconciliation Act of 2005



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## Overview

The Higher Education Reconciliation Act of 2005 (the HERA), Pub. L. 109-171, created two new Title IV grant programs—the Academic Competitiveness Grant (ACG) and the National Science and Mathematics Access to Retain Talent (National SMART) Grant. The HERA also extends Federal Direct PLUS Loan (Direct PLUS) eligibility to graduate or professional students.

In addition, the HERA changed the dependency status for active duty military personnel and increased some Direct Stafford Loan limits.

This addendum to the *2006-2007 EDEExpress for Windows Release 1.0 Desk Reference* provides guidance on using existing and new Global, Application Processing, and Packaging features in EDEExpress for Windows 2006-2007 to comply with the changes established in the HERA.

The following areas are covered in this addendum:

- Academic Competitiveness Grant (ACG)
- National Science and Mathematics Access to Retain Talent (National SMART) Grant
- Direct PLUS Loan for Graduate and Professional Students (Grad PLUS)
- Other HERA Changes

EDEExpress 2006-2007 will be modified in three separate releases to add ACG, National SMART Grant, and Grad PLUS functionality, most of which will be incorporated into the existing Pell and Direct Loan modules:

- Release 3.0, available September 2006, enables you to create ACG and National SMART Grant origination and disbursement records and updates Direct Loan functionality to uniquely identify Grad PLUS loan records on entry tabs, reports, and in other software features. It also enables you to import ACG and National SMART Grant versions of the Electronic Statement of Account (ESOA) and adds separate print options for the Grad PLUS MPN, List-Grad PLUS MPN, MPN Manifest, and Disclosure Statement.

**Note:** You will not be able to export ACG or National SMART Grant records from EDEExpress 2006-2007 for transmission to the Common Origination and Disbursement (COD) System or import responses to ACG and National SMART Grant data sent by the COD System until you install Release 4.0.

- Release 4.0, available December 2006, enables you to export ACG and National SMART Grant origination and disbursement records for transmission to the COD System and to import responses from the COD System.

**Note:** The COD System will not accept ACG or National SMART Grant origination or disbursement data until December 16, 2006.

- Release 5.0, available April 2007, enables you to export ACG and National SMART Grant Data Requests to the COD System and import ACG and National SMART Grant-specific reports. It will also update Direct Loan functionality, including the origination process, to follow increased annual loan limits established for Direct Subsidized and Direct Unsubsidized loan awards by the HERA.

For information and guidance regarding changes to EDEExpress Pell, Direct Loan, and COD functionality resulting from the HERA, see the HERA addendum to the *2006-2007 EDEExpress for Windows Release 2.0 Desk Reference*, available on the U.S. Department of Education's (ED's) FSAdownload Web site, located at [fsadownload.ed.gov](http://fsadownload.ed.gov).

Direct Loan PLUS and Grad PLUS borrowers can also contact the COD School Relations Center at [CODsupport@acs-inc.com](mailto:CODsupport@acs-inc.com) or at the numbers listed below for assistance:

- Pell Grant, ACG, and National SMART Grant: 800/474-7268 (800/4PGRANT)
- Direct Loan School Services: 800/848-0978
- Direct Loan Applicant Services: 800/557-7394 (for student and parent borrowers)

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## Academic Competitiveness Grant (ACG)

The Academic Competitiveness Grant (ACG) is a new grant program established by the HERA for full-time students at degree-granting institutions who completed a rigorous high school program of study and who are U.S. citizens, Federal Pell Grant recipients, and enrolled in the first or second year of their programs of study. Students can receive a maximum of \$750 for their first year of study and \$1,300 for their second.

Because some of the data elements relevant to a student's ACG eligibility are not captured on the 2006-2007 Institutional Student Information Record (ISIR), students whose applications were processed before July 1, 2006 were notified of their potential eligibility by e-mail (if a valid e-mail address was provided on the 2006-2007 Free Application for Federal Student Aid [FAFSA]) or by regular mail. The notification directed the applicant to complete a self-certification process on a new section of FAFSA on the Web (FOTW).

First-time applicants who submit paper 2006-2007 FAFSAs after July 1, 2006 and are potentially eligible for ACGs receive comment codes on their Student Aid Reports (SARs) directing them to FOTW to self-certify their eligibility. Students who complete FOTW applications on or after July 1, 2006 and who are potentially eligible for an ACG are asked to provide the information as part of the online application process.

## Global

An ACG Data File containing student self-certification data entered on FOTW is sent to institutions listed on the ISIR in an ED-initiated message class (ED2007OP). The information provided in the file is: Original SSN, Name ID, Name (Last, First, MI), Transaction Number, Date of Birth, High School Graduation Date After 01/01/05?, High School State, High School Program, Advanced Placement (AP) or International Baccalaureate (IB) Courses, Rigorous High School Coursework Flag, and Federal School Code.

The ACG Data File can be imported and printed using the EDEExpress software's Global ED-initiated Import function. You must define the message class (**Tools, Setup, Global, ED Initiated Imports**) before you can import the ACG Data File. The report is print-only, and the data is not stored in the EDEExpress database.

## Application Processing

The Central Processing System (CPS) has established a new message class (IGAA07OP) for ISIRs resulting from students self-certifying their potential ACG eligibility if self-certification is the only change to their ISIRs.

Five new comment codes (267, 268, 269, 270, and 271) have been added to the 2006-2007 ISIR for ACG-related comments. Students who may be eligible for an ACG but who have not yet self-certified their eligibility receive comment code 267. Students who have answered at least one of the self-certification questions receive comment code 271. A predefined query is included in EDEExpress to find applications containing comment code 271. To view the full text associated with these comment codes, see the *2006-2007 SAR Comment Codes and Text*, available at [fsadownload.ed.gov](http://fsadownload.ed.gov).

**Note:** You must install EDEExpress 2006-2007, Release 3.0, available September 2006, to print ISIRs with the updated comment code text and to use the new ACG query.

## Packaging

The EDEExpress Packaging module may be used to award ACG funds to students. You must first define and save ACG as a grant fund (Aid Type = **G**) in Fund Maintenance setup. You can then award the fund manually to student records on the Awarded Funds dialog box, accessible from the Awards tab, or add the fund to existing Packaging records using the Packaging External Data–Add Fund Amounts import type.

To award your ACG funds to student records automatically using the Package/Repackage process, you must add the ACG funds you create (using aid type **G**) to an existing or new award methodology. You must assign queries and other criteria at both the Fund Maintenance and Award Methodology setup level for the funds in order to control who receives the funds and how much they are awarded.

- For example, you can create Yes/No fields in the User Database titled “ACG Eligibility Yr 1” (for College Years 0 and 1) and “ACG Eligibility Yr 2” (for College Year 2) and indicate “Yes” on the User Data tab for all your ACG-eligible students. You can then create a Packaging Query on your “ACG Eligibility Yr 1” or “ACG Eligibility Yr 2” fields to filter for all “Yes” responses, attach this query to your ACG funds in Fund Maintenance setup, and add the funds to an Award Methodology. You may also want to query on such elements as Grade Level in College or the Pell Eligibility flag.
- When adding your ACG funds to an existing or new award methodology, use the fund-level criteria (that is, School Min/Max, EFC Min/Max) to further control ACG awards and their amounts.

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## National Science and Mathematics Access to Retain Talent (National SMART) Grant

The National Science and Mathematics Access to Retain Talent (National SMART) Grant is a new grant program created by the HERA for full-time students at four-year degree-granting institutions who are Federal Pell Grant recipients and U.S. citizens. Students must be enrolled in their third or fourth years of one of the accepted fields of study in the areas of physical, life, or computer science; engineering; mathematics; technology; or a critical foreign language with a 3.0 or higher grade point average to be eligible. Students can receive a maximum of \$4,000 for each of their third and fourth years of study.

### Packaging

The EDEExpress Packaging module can be used to award National SMART Grant funds to students. You must first define and save the National SMART Grant as a grant fund (Aid Type = G) in Fund Maintenance setup. You can then award the fund manually to student records on the Awarded Funds dialog box, accessible from the Awards tab, or add the fund to existing Packaging records using the Packaging External Data–Add Fund Amounts import type.

To award your National SMART Grant fund to student records automatically using the Package/Repackage process, you must add the National SMART Grant fund you create (using aid type G) to an existing or new award methodology. You must assign queries and other criteria at both the Fund Maintenance and Award Methodology setup level for the fund in order to control who receives the fund and how much they are awarded.

- For example, you can create a Yes/No field in the User Database titled “SMART Eligibility” and indicate “Yes” for all your National SMART Grant-eligible students. You can then create a Packaging Query on your “SMART Eligibility” fields to filter for all “Yes” responses, attach this query to your National SMART Grant fund in Fund Maintenance setup, and add the fund to an award methodology. You may also want to query on such elements as Grade Level in College or the Pell Eligibility flag.
- When adding your National SMART Grant fund to an existing or new award methodology, use the fund-level criteria (that is, School Min/Max, EFC Min/Max) to further control National SMART Grant awards and their amounts.

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## Direct PLUS Loan for Graduate and Professional Students (Grad PLUS)

As a result of the HERA, graduate and professional students are now eligible to borrow under the Direct PLUS Loan (Direct PLUS) Program. The HERA Direct PLUS provision does not create a new loan program. Instead, it allows a new type of borrower—an eligible graduate or professional student—to borrow under the existing Direct PLUS Program. Effective July 1, 2006, you can create and originate PLUS loans and graduate or professional student PLUS (Grad PLUS) loans.

**Note:** The HERA provides for eligible graduate and professional students to receive Direct PLUS Loans on or after July 1, 2006. The HERA provision does not create a new loan program, but rather, allows a new type of borrower—an eligible graduate or professional student—to borrow under the existing Direct PLUS Loan Program. In EDEExpress 2006-2007, Release 3.0 and forward, a Direct PLUS loan for a graduate or professional student is referred to as a “Grad PLUS” loan.

### Packaging

The EDEExpress Packaging module can be used to award Grad PLUS loans to students. You must first define and save Grad PLUS as an Non-Need-Based Loan (Aid Type = N) in Fund Maintenance setup. You can then award the fund manually to student records in the Awarded Funds dialog box, accessible from the Awards tab, or add the fund to existing Packaging records using the Packaging External Data–Add Fund Amounts import type.

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## Other EDEExpress HERA Changes

The HERA changed the dependency status for active duty military personnel and increased some Direct Stafford Loan limits.

### Active Duty Military as Independent Students

Under the HERA, individuals who are currently serving on active duty in the U.S. Armed Forces for purposes other than training have been added to the list of individuals who are considered to be independent students.

The CPS began notifying students of the change in the definition of an independent student as part of a reprocessing effort in May 2006 via a new SAR comment code.

Comment code 119 reads as follows: “If you are currently serving on active duty in the U.S. Armed Forces for purposes other than training, you are considered to be an independent student for the purpose of receiving federal student aid. You must notify your financial aid office if you are on active duty because it may significantly affect your financial aid eligibility.”

This new SAR comment is now added to all 2006-2007 records for dependent students who apply or correct their records on or after the May 19 reprocessing date to alert them to the change.

**Note:** You must install EDEExpress 2006-2007, Release 3.0, available September 2006, in order to print comment code 119 on an ISIR report.

### Direct Loan Limits

Effective July 1, 2007, annual loan limits for the following Direct Stafford Loans have been increased to:

- \$3,500 for first-year undergraduate base subsidized/unsubsidized loans
- \$4,500 for second-year undergraduate base subsidized/unsubsidized loans
- \$12,000 for graduate/professional additional unsubsidized loans
- \$7,000 for preparatory coursework (for enrollment in a graduate or professional program) additional unsubsidized loans
- \$7,000 for teacher certification additional unsubsidized loans



**Note:** Aggregate loan limits are not affected by these changes.

The EDEExpress Package/Repackage process will not be modified to award subsidized (Aid Type **S**) or unsubsidized (Aid Type **U**) loans at the new loan limits until EDEExpress 2007-2008, Release 1.0. EDEExpress 2006-2007 Packaging users can increase subsidized and unsubsidized awards manually to the new limits on Packaging records at any time. However, the higher loan limits cannot be originated prior to July 1, 2007 in the Direct Loan module. Users may need to create an additional loan origination record for the student.

**Note:** The COD System does not accept subsidized or unsubsidized loan originations at the higher loan limits if the origination date is prior to July 1, 2007.

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## Where to Get More Information

- Dear Partner/Colleague Letters related to the HERA on the Department of Education's (ED's) Information for Financial Aid Professionals (IFAP) Web site, located at [ifap.ed.gov](http://ifap.ed.gov). Look for the link to HERA-related documents.
- The *2006-2007 Electronic Data Exchange (EDE) Technical Reference* and the *2006-2007 Common Origination and Disbursement (COD) Technical Reference*, available on ED's FSAdownload Web site, located at [fsadownload.ed.gov](http://fsadownload.ed.gov).
- For technical support for EDEExpress, call CPS/SAIG Technical Support at 800/330-5947 (TDD/TTY 800/511-5806), 7 a.m. to 7 p.m. CT, Monday through Friday, excluding federal holidays. Or e-mail inquiries to [CPSSAIG@ed.gov](mailto:CPSSAIG@ed.gov). You will receive a response to your e-mail within one business day.
- For other questions about the HERA, contact the Federal Research and Customer Care Center (RCCC) at 800/433-7327 or 202/275-5532 (fax). Or e-mail the RCCC at [fsa.customer.support@ed.gov](mailto:fsa.customer.support@ed.gov). Hours are 9 a.m. to 5 p.m. ET, Monday through Friday, excluding federal holidays.